
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Greene

HB No. 1019

Abstract: Establishes the La. Debt Recovery Program whereby the Dept. of Revenue will serve as the primary debt collecting entity for the state for the collection of delinquent debts on behalf of all state agencies.

Proposed law establishes the La. Debt Recovery Program, hereinafter "program", which authorizes the Dept. of Revenue (DOR) to serve as the primary debt collecting entity for the state for the collection of delinquent debts on behalf of all state agencies.

Proposed law requires all debts owed to the state to be referred to the program when delinquent for more than 60 days. Defines "debt" as any legally collectible, liquidated sum due and owing an agency, or due and owing a person and collectible by any agency, or a judgment, order of the court, or bond forfeiture which is properly certified by the clerk and which orders the payment of a fine or other court ordered penalty. Further provides that the legally collectible and liquidated sum due includes principle and accruing interest, fees, and penalties, if appropriate.

Proposed law requires that all debts be final and authenticated by the state agency prior to being referred to the program. Further requires the department to comply with all state and federal law applicable to the collection of the debt and for the state to assume all liability for its actions without recourse to the agency or political subdivision owed the debt.

Proposed law permits political subdivisions which are not statewide political subdivisions to participate in the program pursuant to a formal agreement with the department.

Proposed law authorizes the department to use a participating agency's or political subdivision's statutory collection authority to collect delinquent debts. The department may also use authority granted in present law regarding offset from income tax refunds or other accounts payable by the state for any delinquent debt transferred by state agencies or political subdivisions. Grants the secretary discretion to determine which collection method or combination of methods is most suitable to collect the delinquent debt.

Proposed law requires the department to charge the debtor a fee not to exceed 25% of any monies the department collects for an agency. Further provides that the 25% fee shall be added to the amount due to the state when the collection is made. Fees collected according to the provisions of proposed law shall be retained by the department after the debt is collected. Requires DOR to transfer any monies collected from a debtor to the referring agency within 30 days after the end of the month in which the collection was made.

Proposed law provides that money received by the secretary from the fees imposed pursuant to proposed law shall be designated self-generated revenues of the department.

Proposed law requires the department to establish a centralized electronic debt registry to compile the information provided by state agencies and participating political subdivisions and to maintain all information provided from all sources concerning addresses, financial records, and any other information useful in assisting the department in collection services in the centralized registry. Further provides that the data compiled in the registry from referring agencies, and the department shall be available for cross-referencing and identifying debtors necessary for collecting delinquent debts.

Proposed law requires the department to promulgate rules and regulations in accordance with the APA to implement the provisions of proposed law. Further provides that any rule promulgated by the department shall be construed in favor of the secretary.

Proposed law authorizes the secretary to enter into reciprocal collection and offset of indebtedness agreements with the federal government.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:1676)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Expanded the definition of "agency" and "debt" and added definitions for "authenticated" and "final".
2. Deleted authority for the secretary to assign a debt to a collection contractor or to any other private collection agency for collection.
3. Changed authority of the secretary to treat a delinquent debt referral in the same manner as a final assessment without restriction or delay from mandatory to permissive.
4. Authorized the secretary to use any collection remedy provided in present law to collect the delinquent debt and granted the secretary discretion to determine which collection methods are suitable to collect the delinquent debt.
5. Added designation that the money received from the fees imposed by proposed law shall be considered self-generated revenues of the department.
6. Added provision that the data compiled in the registry shall be available for cross-

referencing and identifying debtors who owe delinquent debts.

7. Deleted provision whereby the debt recovery program established in proposed law would not be available to state agencies unless the department received appropriations to design, implement, and operate the centralized electronic debt recovery registry.